

In his remarks Lord Black spoke vividly and in detail about Depression-era America, and the "bold experimentation," as he put it, of the New Deal years.

I ask unanimous consent that the text of Lord Black's remarks be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

ADDRESS OF LORD BLACK AT FRANKLIN DELANO ROOSEVELT DISTINGUISHED PUBLIC SERVICE AWARD DINNER

On election night, 1932, unemployment stood at approximately 30%. There was minimal direct government relief for the 14 million or so unemployed. Their condition was alleviated by private sector charity, and by theft and begging.

The Soviet Union advertised in the United States for 6,000 skilled workers to go to Russia in 1932 for a period of several years; it's New York office was swamped with 100,000 applications. The natives of West Africa sent New York City \$3.77 to help with relief for the poor. When the city of Birmingham, Alabama, advertised for 750 ditch-diggers to work ten-hour days for \$2 per day, 12,000 applications arrived in two days.

In the coal-mining regions of Kentucky and West Virginia, over 90% of children were suffering from malnutrition. The country had suffered a general deflation of more than 20%. Millions of Americans faced the distinct possibility of death by starvation or exposure to the elements. Large numbers of people lived from the scraps and leftovers thrown out in the garbage by restaurants and hotels.

The volume of cheque transactions and of stock market transactions in the United States had declined by 60% since 1929. The amount of new capital financing had declined by over 95% since 1929. The volume of new building contracts had declined by 75%. By inauguration day in March 1933, the Dow-Jones Industrial Average was down by 90% from its high in September, 1929.

BANK FAILURES

There had been 5,000 bank failures in three years, wiping out nine million individual bank accounts. Steel production was under 20% of capacity, and United States Steel Corporation, which had had 225,000 full-time employees in 1929, now had no full-time employees, apart from those in the executive offices.

Total non-agricultural production was less than half of its 1929 level. Manufacturing income has shrunk by 65%. Agricultural production, while approximately equal in physical volume to that of 1929, had shrunk in farm income from \$12 billion to slightly over \$5 billion.

About 45% of the residential homes in America had been or were in danger of being foreclosed by mortgage-holders. Through the first six months of 1933, 250,000 homes were foreclosed, well over a thousand per day, the families pitched out into the streets. The money supply, deflation-adjusted, had declined by 25% in four years.

Many local and state governments, including Chicago and Georgia, could not pay their schoolteachers. Georgia closed over a thousand schools attended by 170,000 students. Most rural Alabama white schools were closed through the early months of 1933.

On the day before inauguration day, 32 states had closed all their banks indefinitely. Six other states had closed almost all their banks. In the other ten states and in the District of Columbia, withdrawals were limited to 5% of deposits and in Texas to \$10

per day. The U.S. financial system had reached the last extremity before it would collapse completely, taking the life's savings of tens of millions of people and what was left of the international economic system with it.

American literature achieved a virtual golden age with writers such as John Steinbeck, Erskine Caldwell, Edmund Wilson, and John Dos Passos describing depression conditions.

FRANKLIN D. ROOSEVELT'S FIRST INAUGURAL ADDRESS

Over 400,000 people came out to hear Franklin D. Roosevelt's famous first inaugural address; they covered 40 acres of lawns adjacent to the Capitol. For the first time since the Civil War, soldiers in full combat gear and machine gun emplacements surrounded by sand-bags were visibly guarding the main public buildings of Washington.

Roosevelt promised bold experimentation. In the Hundred Days of the spring of 1933, the Roosevelt administration reorganized and reopened the banks and guaranteed their deposits, a great monetary step as bank deposits now joined most definitions of the money supply.

The legislation of the Hundred Days incentivized price and wage increases, reduced the working week, cut government salaries, increased some marginal taxes, tolerated a degree of cartelism to raise prices and avoid over-production, encouraged collective bargaining, and engaged in massive workfare schemes that employed nearly half the unemployed in projects of conservation and public works. In the first year of these programs, 500,000 miles of roads and 40,000 schools, 3,500 parks and 1,000 airfields were built or upgraded. The Civilian Conservation Corps, through the 'thirties, thinned four million acres of trees, stocked one billion fish, and built 30,000 animal shelters.

Ordinary unemployment declined by four million through 1933, partly due to the reduction in the work week. Farmers voted by category to approve production cutbacks, permitting farm price increases, and some of the agricultural surplus was taken for distribution to the needy. The Tennessee Valley Authority was launched and great progress began on rural electrification, flood control, and drought control.

The Hundred Days also refinanced the nation's mortgages, effectively departed the gold standard, exchanged embassies with the Soviet Union, and repealed Prohibition.

THE SECOND NEW DEAL

The second New Deal, in 1934 and 1935, was built around Social Security and included the Labour Relations Act, the Securities and Exchange Commission, a comprehensive modernization of the Federal Reserve, and what was called, but was not really, a Wealth Tax. It outraged William Randolph Hearst and stole the thunder of Huey Long and other radicals, as it was designed to do.

After a pause, when unemployment again began to rise, Roosevelt brought in the third New Deal in 1938 with the Fair Labor Standards Act and massive public works and conservation employment schemes. These were successful and reduced unemployment in mid-1939 to about 8%, less than two points above where it stands today, if the public sector relief workers are considered to be employed people.

Thereafter, like other countries, the United States relied on rearmament and the selective service to reduce unemployment, which fell by up to 500,000 per month coming up to the 1940 election, and had almost vanished before the entry of the United States into the war in 1941.

THE GI BILL OF RIGHTS

Finally, came the GI Bill of Rights, which greatly subsidized the education, and home

and farm and business ownership of veterans. In the late 'forties, nearly half the male university students of the United States were beneficiaries of that act and the barriers to advancement for working class families were largely removed.

I yield to few people in my enthusiasm for the capitalist system, but we must all remember that in 1933, capitalism in America had failed, and the political system was in danger of failing with it.

Roosevelt developed a refrain in his later elections that served him well and was unanswerable. It went: "You are, most of you, old enough to remember what things were like in 1933."

"You remember the closed banks and the breadlines and the starvation wages; the foreclosures of homes and farms, and the bankruptcies of business; the 'Hoovervilles,' and the young men and women of the Nation facing a hopeless, jobless, future; the closed factories and mines and mills; the ruined and abandoned farms; the stalled railroads and the empty docks; the blank despair of a whole Nation, and the utter impotence of the Federal Government."

The voters did remember, as people remember a horrible nightmare; but it had not been a dream; it was the United States in 1933.●

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Ms. Evans, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 11:59 a.m., a message from the House of Representatives, delivered by Ms. Niland, one of its reading clerks, announced that the House has passed the following bill, without amendment.

S. 858. An act to extend the Abraham Lincoln Bicentennial Commission, and for other purposes.

The message also announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 1511. AN act to award a congressional gold medal to Prime Minister Tony Blair.

H.R. 2474. An act to authorize the Congressional Hunger Center to award Bill Emerson and Mickey Leland Hunger Fellowships for fiscal year 2003 and 2004.

H.J. Res. 49. A joint resolution recognizing the important service to the Nation provided by the Foreign Agricultural Service of the Department of Agriculture on the occasion of its 50th anniversary.

The message further announced that the House had agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 49. Concurrent resolution expressing the sense of the Congress that the